The petition for certiorari was filed July 29, 1929, and granted January 6, 1930. (R. 76.) The jurisdiction of this Court rests on Section 240 (a) of the Judicial Code, as amended by the Act of February 13, 1925.

QUESTIONS PRESENTED

1. Has a District Court any jurisdiction to order the reinstatement of lapsed war risk life insurance?

2. If so, may a District Court order the reinstatement of such insurance without finding that the proof submitted to the Director of the Veterans' Bureau showed that the applicant was not totally and permanently disabled at the time of his application for reinstatement?

3. Was there any allegation or finding sufficient to satisfy the rule that a decision of the Director may be reversed by a court if "wholly without evidential support or wholly dependent upon a question of law or clearly arbitrary or capricious?"

STATUTES INVOLVED

These are set forth in the Appendix to this brief, pp. 24–27, *infra*.

STATEMENT

The petitioner brought this action at law in the District Court of the United States for the District of Colorado to require the United States to rein-

state that portion of his war risk insurance policy which had lapsed, and to pay the benefits under the policy sought to be reinstated at the rate of $40.25 per month from August 3, 1923, on the ground of permanent and total disability from that date. (R. 4, 5.)

The amended petition filed in that court alleged the following facts (R. 4–5): A policy in the amount of $10,000 insuring the petitioner against death or permanent and total disability was issued to petitioner while he was serving in the Army during the World War. On February 1, 1920, he converted $3,000 of this insurance into a twenty-payment life policy and allowed the remaining $7,000 to lapse. On February 21, 1923, he made application for reinstatement and conversion of the lapsed insurance.

This petition further alleged that when making such application for reinstatement the petitioner tendered the necessary premiums and interest, "complied with any and all the terms" of the statutes, rules, and regulations; that he was suffering from a disability (pulmonary tuberculosis) "of a degree less than permanent and total disability," but that "the defendant erroneously and contrary to the terms of the War Risk Insurance Act, and amendments thereto, rejected and refused the plaintiff's application."

The amended petition prayed "judgment against the defendant directing it to reinstate and convert

the remaining $7,000 of his insurance policy * * * and for the monthly benefits, on said policy in the sum of $40.25 per month for each and every month since August 3, 1923, which totals $1,384.00, and such other and further relief that the court may deem proper in the premises." (R. 5–6.)

The defendant's answer (R. 6–7) denied that the plaintiff complied with "any and all U. S. Veterans' Bureau rules and regulations pertaining to such application" and that "at the time said application was made the plaintiff was suffering from a disability, to wit, tuberculosis (pulmonary), of a degree less than permanent and total disability."

A stipulation in writing was filed waiving trial by jury. (R. 7.) The District Court made no finding of fact except the following, appearing in its "Judgment" (R. 10–11):

> A trial by jury having been expressly waived by the counsel for the respective parties, the cause was tried before the court sitting without a jury; whereupon witnesses on the part of the Plaintiff were sworn and examined, the Defendant not presenting any evidence; and the evidence being closed, the cause was submitted to the court for consideration and decision, and, after due deliberation thereon, the court finds specifically that the Plaintiff was not permanently and totally disabled on February 21, A. D. 1923; that he is entitled to have the Seven Thousand Dollars ($7,000.00) remaining of his war risk insur-

ance reinstated; that he was permanently and totally disabled on and after August 3, A. D. 1923; that the court finds generally for the Plaintiff; that he is entitled to judgment and other and further relief as prayed in the amended complaint.

It is therefore ordered and adjudged that the Plaintiff's remaining Seven Thousand Dollars ($7,000.00) of war risk insurance be, and it is hereby reinstated as of February 21, A. D. 1923, upon his tendering the necessary premiums therefor.

That plaintiff, Robert G. Meadows have and recover of and from the defendant, the United States of America, judgment in the sum of One Thousand Nine Hundred Seventy-two and 25/100 Dollars ($1,792.25), being an amount equal to Forty and 25/100 Dollars ($40.25), for each and every month beginning the 3rd day of August A. D. 1923, and ending with the 3rd day of September, A. D. 1927.

In an oral opinion handed down at the conclusion of the trial, the District Court said (R. 52):

> It seems to me that the action of the Director in grading this man as permanently and totally disabled was erroneous. Of course, the proof submitted to him may have been different from that before this court. We can only judge the case by the evidence submitted here.

It consequently appears that the court did not consider what the decision should have been on the tes-

timony presented to the Director, but decided the case upon the testimony introduced before it, which may have been entirely different from the proof submitted to the Director.

The cause went to the Circuit Court of Appeals upon writ of error. The Government's bill of exceptions was there stricken from the record because not settled within the time permitted. 29 F. (2d.) 739. (R. 70.)

Later, considering the cause as before it "only on the record proper," the Circuit Court of Appeals concluded that the trial court had been without jurisdiction because (1) there was no sufficient allegation that the action of the Director had been "wholly without evidential support or wholly dependent upon a question of law or clearly arbitrary or capricious," within the rule laid down by this Court, and (2) the matter could not be considered as one of "disagreement as to claim under a contract of insurance," within the meaning of Section 19, World War Veterans' Act, 1924. It accordingly reversed the judgment of the District Court and ordered the dismissal of the petition for lack of jurisdiction. 32 F. (2d) 440. (R. 71–74.)

SUMMARY OF ARGUMENT

1. A District Court has no jurisdiction to order a reinstatement of a lapsed policy of war risk insurance. The original Act providing for war risk life insurance contained no provision for reinstatement if the policy lapsed, but reinstatement was

provided for in regulations promulgated by the Veterans' Bureau. These required as a condition to reinstatement proof as to certain matters satisfactory to the Director. In the Act of 1921, Congress provided that an application for reinstatement might be approved upon certain conditions, one of which was that the applicant submit "proof satisfactory to the director showing that he is not totally and permanently disabled." The new section did not provide for a review of the decision of the Director, and no existing or subsequent provision of the legislation relating to war risk insurance covered the matter in express language. From the outset there has been a provision that "in the event of disagreement as to claim under a contract of insurance between the bureau and any person or persons claiming thereunder an action on the claim may be brought against the United States" in a District Court. It is submitted that this language, which has not been changed substantially in numerous amendments, is not applicable to reinstatement, and that a proper construction of all of the provisions of the statutes shows that in this matter the decision of the director is to be conclusive, unless capricious.

2. If the statutes should be construed to give the District Court jurisdiction over the matter of reinstatement of war risk life insurance policies, that jurisdiction should be confined to a determination of whether the evidence submitted to the Director was sufficient to establish the fact that the applicant

was not totally and permanently disabled at the time of his application. They do not authorize the District Court to try out the issue of the condition of the insured on new testimony, as it did in the instant case.

3. Neither the allegations of the petition nor the court's findings showed that the decision of the Director was capricious.

ARGUMENT

I

THE DISTRICT COURT HAS NO JURISDICTION TO ORDER THE REINSTATEMENT OF LAPSED WAR RISK LIFE INSURANCE

The first authority for granting war risk life insurance is in the War Risk Insurance Act of October 6, 1917, c. 105, Sec. 400, 40 Stat. 398, 409. Neither that Act nor any of its amendments up to August 9, 1921, contained any provision for the reinstatement of a policy, or a portion thereof, which had lapsed. In the Act of August 9, 1921, Section 27, c. 57, 42 Stat. 147, 156, 157, amending the Act of October 6, 1917, Congress added a new section, to be known as Section 408, providing for the reinstatement of lapsed insurance.

Neither the original Section 408 nor any modification or amendment of it specifically provides that a District Court or any other court may order the reinstatement of insurance, and there is no express provision to this effect in any of the legislation relating to war-risk insurance.

The District Court held that Section 19 of the World War Veterans' Act gave the court jurisdiction, and the petitioner relies upon this section. Section 19 had its origin in Section 405 of the War Risk Insurance Act of October 6, 1917 (40 Stat. 410), which provided—

> That in the event of disagreement as to a claim under the contract of insurance between the bureau and any beneficiary or beneficiaries thereunder, an action on the claim may be brought against the United States in the district court of the United States in and for the district in which such beneficiaries or any one of them resides. The court, as part of its judgment, shall determine and allow such reasonable attorney's fees * * *.

It was in this form at the time of the passage of the Act of August 9, 1921, which added Section 408 to the War Risk Insurance Act and which did not modify or even refer to Section 405. As there was no provision for reinstatement in the Act of 1917, it is obvious that Congress could not in 1917 have intended Section 405 to include a proceeding for reinstatement of a policy, and its language is not such that it is clearly applicable to reinstatement.

No indication that Congress intended that a proceeding for reinstatement could be brought in a court can be found in the language of Section 408. The language in its natural meaning is permissive only—in event of compliance with rules and regulations an application for reinstatement "may be

approved" upon certain conditions, one of which is "that the applicant during his lifetime submits proof satisfactory to the director showing that he is not totally and permanently disabled." There is nowhere else in the legislation pertaining to war-risk insurance language similar to that last quoted, and this fact tends to corroborate the conclusion, which would be reached from an inspection of the language alone, that Congress intended to make the decision of the Director final as to reinstatement. The same Act established the Veterans' Bureau, and Section 2 thereof (42 Stat. 148) provided that the Director should "decide all questions arising under this Act except as otherwise provided herein." (Cf. Act of October 6, 1917, Section 2, 40 Stat. 398.) If Congress had intended to confer rights to sue for reinstatement, it is unlikely that it would have left the matter unmentioned. We may assume that under general principles of law there would be a remedy if the Director acted arbitrarily. In such a situation the remedy would be a writ of mandamus against the Director.

Prior to the passage of Section 408 in the Act of August 9, 1921, the matter of reinstatement was governed by Veterans' Bureau (Bureau of War Risk Insurance) Regulations, which were amended from time to time, but most, if not all, contain provisions such as that reinstatement can be effected by furnishing data and proof as to health conditions which shall be "in form satisfactory to the bureau"

(Treasury Decision 32 War Risk, dated September 20, 1918); "to the satisfaction of the Director of the Bureau of War Risk Insurance" (Treasury Decision 39 War Risk, dated December 17, 1918); and the similar language in Treasury Decision 45 War Risk of May 17, 1919, Treasury Decision 47 War Risk of July 25, 1919, and Treasury Decision 61 War Risk of June 30, 1920.

The legislative history of Section 408 contains no intimation that Congress intended to give the courts the power to review or disregard the Director's decision as to reinstatement. On the other hand, there is nowhere in the Congressional Record or the committee reports any express statement to the effect that the decision of the Director as to reinstatement is to be final. The Chairman of the Committee in reporting the bill merely stated that prior to that time the matter of the reinstatement of insurance was subject to the rules and regulations promulgated by the Veterans' Bureau and that the Committee believed that it was time for the question of reinstatement to be made the subject of Congressional enactment. (Cong. Record, Vol. 61, pt. 2, p. 2046, 67th Cong., 1st Sess.) The Senate Committee having charge of the Bill, in its report, made only the following statement in regard to the matter (Report No. 231, p. 11, Senate Reports, Vol. 1, 67th Cong., 1st Sess.):

> Reinstatement of lapsed insurance. Section 26 of the House bill adds to article 4 of the war risk insurance act a new section, to be known as section 408, the purpose of which is to provide for the reinstatement of lapsed insurance when the insured is disabled by reason of injury or disease suffered or contracted in the active service.

It would seem that the phrase used in the statute, "proof satisfactory to the director," was an adoption of the phraseology previously used in the Bureau Regulations.

It is true, as petitioner urges, that a reinstated policy is dependent upon the earlier lapsed contract and that the rights and privileges under the reinstated contract are measured by an earlier lapsed contract, as reinstatement can not be effected for more than the amount of the original contract. But the right to the reinstatement exists solely by reasons of the provisions of Section 408 (as amended from time to time), and is subject to the limitations imposed in that section.

We concede, of course, that all subsequent changes in the War Risk Insurance Act, including Section 304, apply to the original contract. In *White* v. *United States,* 270 U. S. 175, 180, this Court said:

> The certificate of insurance provided in terms that it should be "subject in all respects to the provisions of such Act [of 1917], of any amendments thereto, and of all regu-

lations thereunder, now in force or hereafter adopted, all of which, together with the application for this insurance, and the terms and conditions published under authority of the Act, shall constitute the contract." These words must be taken to embrace changes in the law no less than changes in the regulations.

The petitioner argues that the reinstatement was made in pursuance of the provisions of the original contract, and cites numerous cases, including *Aetna Life Insurance Co.* v. *Dunken*, 266 U. S. 389, which hold that in various situations a commercial life insurance contract made in pursuance of the provisions of an earlier one is the consummation of the provisions of the original contract. From this, petitioner argues that his right to a reinstatement of his policy is a "claim under a contract of insurance" within the meaning of Section 19.

We submit that the question must be decided by a consideration of the meaning and intent of the particular statutory provisions, and that the decisions quoted are of little, if any, assistance in determining this. As we have pointed out above, the provisions of Section 405 were not made in contemplation of a controversy over reinstatement of a policy. Modifications of this section subsequent to the passage of Section 408 and the modifications of Section 408 itself give no indication that Congress considered that the provision for

jurisdiction of the courts did cover or should cover the matter of reinstatement.

By the Act of June 7, 1924, the War Risk Insurance Act, as amended, was repealed (43 Stat. 607, 630), but Section 19 of the 1924 Act (43 Stat. 607, 612) contained provisions for "an action on the claim" almost identical with those of Section 408, adding a sentence which was later amended to read as follows (see p. 26, *infra*):

> * * * The procedure in such suits shall be the same as that provided in sections 5 and 6 of the Act entitled "An Act to provide for the bringing of suits against the Government of the United States," approved March 3, 1887, and section 10 thereof in so far as applicable.

The Act of March 3, 1887, is the Tucker Act. (24 Stat. 505.) This does provide for suits in equity and this reference to the Tucker Act shows that the District Court might entertain equity suits in controversies arising under insurance contracts. But it would seem that this was not enough to confer upon the District Court jurisdiction over the matter of reinstatement, the most important condition of which, as the new Act continued to provide, was that the insured must submit "proof satisfactory to the director."

Section 304 of the Act of 1924 contains substantially the same language as Section 408 of the Act of 1921, including the language

> *Provided further,* That the applicant during his lifetime submits proof satisfactory to the director showing * * * that the applicant is not totally and permanently disabled.

Section 304 of the 1924 Act was amended by Section 15 of the Act of March 4, 1925 (43 Stat. 1302, 1310, 1311), and also by Section 15 of the Act of July 2, 1926 (44 Stat. 799), but only in particulars which have no bearing upon the question involved in the instant case.

Until the instant case was brought in 1926, apparently no application was ever made to a District Court to compel reinstatement of a policy, and there seems to be no reason to believe that anybody contemplated that such a suit could be brought under the provisions of the existing law. If Congress had intended to give the District Courts jurisdiction over such a matter it seems probable that it would have made clear provisions for this at the same time that it was making one of the numerous amendments to the law which we have indicated above.

Congress has not given veterans the right to bring suit as to war benefits generally.

Three classes of benefits have been provided by Congress for veterans of the World War—war risk insurance, compensation for service-connected disability, and adjusted service compensation. The first two benefits are given under authority of the War Risk Insurance Act of October 6, 1917, as carried into the World War Veterans' Act of June 7,

1924, and its amendments; and adjusted service compensation is given under authority of the Act of May 19, 1924, as amended by the Act of July 3, 1926, "An Act To provide adjusted compensation for veterans of the World War, and for other purposes," c. 751, 43 Stat. 826 (U. S. C., Title 38, Secs. 601–683), which Act is entirely distinct from the War Risk Insurance Act and the World War Veterans' Act.

Section 19 of the World War Veterans' Act confers jurisdiction on the courts only to hear and determine a claim on a contract of war risk insurance; and the courts have no jurisdiction, therefore, to entertain a suit for disability compensation, at least unless the action of the Director is wholly without evidential support or wholly dependent upon a question of law or unless it is clearly arbitrary or capricious. *Silberschein* v. *United States,* 266 U. S. 221, 225. The courts have no jurisdiction of a claim for the proceeds of an adjusted service certificate by reason of the fact that Section 310 of the World War Adjusted Compensation Act, as amended by the Act of July 3, 1926, 44 Stat. 828 (U. S. C. Sup. III, Title 38, Sec. 620) specifically provides that the decision of the Director on all matters within his jurisdiction under that Act shall be final and conclusive. *Williams* v. *United States,* 278 U. S. 255.

Under Section 408, the chief question to be determined is whether the applicant is "totally and permanently disabled." The question is of his

condition at the time of the application. The Director is well qualified to determine this matter, and there would seem to be no reason to allow a court or a jury to substitute for the decision of the Director, made at the very time of the application, its own opinion, at a trial which would obviously not occur until a considerable time later. The fact that the insured has the right to sue in court on a policy which is in force, for which he has paid all of the required premiums, has no bearing upon his right to sue for reinstatement of a policy which has admittedly lapsed.

The Circuit Court of Appeals decided the point under discussion upon the ground that a right to reinstate a contract of insurance which has lapsed is not "a claim under a contract of insurance," within the meaning of Section 19. It said (R. 73):

> Here, the claim is not under a contract of insurance but the claim is to have insurance reinstated, which plaintiff himself alleges has lapsed. While such a reinstated contract of insurance is connected with and, in a sense, based upon the earlier contract of insurance, yet, that earlier contract has ceased to have existence and validity and the contract, if reinstated, becomes a new contract. Judge Van Valkenburgh, speaking for this court, in *Stevens* v. *United States* (opinion filed December 14, 1928), stated, in speaking of a similar reinstated contract, that "the reinstatement made brought into existence a new contract between the

parties." Therefore, a claim to a right to reinstate such a contract of insurance which has lapsed is not a "claim under contract of insurance between the Bureau and any person or persons claiming thereunder," within the meaning of Section 19.

Stevens v. *United States* is reported in 29 F. (2d) 904. See also *United States* v. *Buzard* (C. C. A. 9th), 33 F. (2d) 883; *United States* v. *Kusnierz* (C. C. A. 9th), 33 F. (2d) 887; *United States* v. *Allen* (C. C. A. 9th), 33 F. (2d) 888.

Whether or not the reasoning of the court was right, we submit that its conclusion was correct.

II

EVEN IF THE DISTRICT COURT HAD JURISDICTION, IT WAS ONLY TO DETERMINE WHETHER THE DIRECTOR SHOULD HAVE REINSTATED THE POLICY ON THE EVIDENCE SUBMITTED TO HIM

If this Court should hold, contrary to our contentions, that a District Court is given some jurisdiction over the matter of reinstatement, the question remains as to the extent of that jurisdiction.

The pleadings show that, after considering the application of this petitioner, the Director of the Bureau rejected the application for reinstatement. The petition alleges only that such action of the Director was erroneous and contrary to the terms of the statute (R. 5) and the District Court said (R. 52):

> It seems to me that the action of the Director in grading this man as permanently and totally disabled was erroneous. Of course, the proof submitted to him may have been different from that before this court.

There is no allegation or finding as to what proof was submitted to the Director. It does appear, inferentially, that the proof was not actually "satisfactory to the Director," and there is no finding that his action was wholly unsupported by evidence or that there was proof which should have been satisfactory to a reasonable man in the position of the Director.

We contend that the language "proof satisfactory to the director" means something. This occurs in no provision of the legislation in regard to war risk insurance except that relating to reinstatement. This language indicates that Congress did not intend to authorize the District Courts to try out this issue on testimony other than that submitted to the Director. If the District Courts have any jurisdiction of the matter, it is only to determine whether the proof submitted to the Director was such as should have satisfied him.

III

THERE WAS NO ALLEGATION OR FINDING THAT THE DECISION OF THE DIRECTOR WAS CAPRICIOUS

It may be conceded that, even under the loose wording of Section 408, the law would afford a remedy if the Director capriciously refused to rein-

state a policy. We submit that the remedy would be by writ of mandamus against the Director, and that, of course, was not applied for in the instant suit. Moreover, neither the petition nor the findings indicate that there was any capricious action.

As the Circuit Court of Appeals said in the instant case (R. 72):

> It has been repeatedly determined that the grant of power given to the Director by Section 2 of the Act of 1921, to decide questions of fact, cannot be challenged, unless the controversy falls within Section 19 of the Act of 1924, or unless such decision is "wholly without evidential support or wholly dependent upon a question of law or clearly arbitrary or capricious" (*United States* v. *Williams,* decided January 2, 1929; *Silberschein* v. *United States,* 266 U. S. 221, 225; *Armstrong* v. *United States,* 16 Fed. (2d) 387, 389, this court; *United States* v. *Edwards,* 23 Fed. (2d) 477, 479, this court). There is no allegation in this petition that the action of the Director upon this matter was wholly unsupported by evidence or wholly dependent upon a question of law or clearly arbitrary and capricious. The only allegation is that the Director acted "erroneously and contrary to the terms of the War Risk Insurance Act and amendments thereto."

The petitioner in his brief, after conceding for the sake of argument that the petition does not

comply with the requirements laid down by this Court in the *Silberschein case, supra,* asserts (p. 14):

> It will be conceded, we believe, that the court had general jurisdiction of the cause and subject-matter.

and that the defect, within the rule announced in the *Silberschein case, supra,* is cured by the respondent's

> failure to make timely objection under the rule thus announced by the Circuit Court for the Eighth Circuit in *U. S.* v. *Edwards,* 23 Fed. (2d) 477, 479 * * *.

We submit that neither the *Edwards case* nor *Beyer* v. *LeFevre,* 186 U. S. 114, also cited by petitioner, has application to the instant case.

In the *Edwards case* the plaintiff sued on a contract of war risk insurance, sought to excuse nonpayment of premiums by reason of alleged mental incompetency, and endeavored to have the court determine independently whether such incompetency existed. The Government contended that such rating of incompetency must be made by the Bureau under the provisions of Section 306 of the World War Veterans' Act (43 Stat. 626), and not by the court. The trial court decided against the contention of the Government and entered judgment for the plaintiff. The Circuit Court of Appeals, after determining that the contention of the Government below was correct, sustained

the judgment for the plaintiff because counsel for the Government in the trial had waived for the purposes of that case the necessity of obtaining a rating of incompetency by the Bureau. The court (the same court which decided the instant case) said (p. 480):

> We regard this concession by counsel for the Government to be a complete waiver of the failure of plaintiff in error to procure a rating from the bureau, either before the suit was brought or thereafter. The District Court having general jurisdiction of the parties and of the subject-matter, this requirement of the statute is subject to waiver.

In *Beyer* v. *LeFevre,* this Court held that the appellant was barred from objecting in an appellate court that the trial court had no jurisdiction, *as a court of equity,* of a suit to set aside a will, in view of the facts that he had consented to a hearing and adjudication according to equity practice and that the court had jurisdiction over the issue and the subject matter, as a court of law.

We submit that a different situation exists in the present case. The trial court did not have general jurisdiction of the subject-matter.

The District Court did not so hold and the Circuit Court of Appeals specifically held to the contrary. Our view is, therefore, that the plaintiff has no recourse to the courts by virtue of the rule in the *Silberschein case.*

CONCLUSION

It is respectfully submitted that the decision of the Circuit Court of Appeals should be affirmed.

WILLIAM D. MITCHELL,
Attorney General.

CLAUDE R. BRANCH,
Special Assistant to the Attorney General.

J. FRANK STALEY,
W. CLIFTON STONE,
Attorneys.

FEBRUARY, 1930.

APPENDIX

STATUTES INVOLVED

Section 408 of the War Risk Insurance Act of October 6, 1917, c. 105, 40 Stat. 398, as amended by the Act of August 9, 1921, c. 57, 42 Stat. 147, 156—which was carried into the World War Veterans' Act of June 7, 1924, c. 320, 43 Stat. 607, 625, as Section 304 and amended by the Act of July 2, 1926, c. 723, 44 Stat. 790, 799 (U. S. C. Sup. III, Title 38, Sec. 515), provides:

> In the event that all provisions of the rules and regulations other than the requirements as to the physical condition of the applicant for insurance have been complied with an application for reinstatement, in whole or in part, of lapsed or canceled yearly renewable term insurance or United States Government life insurance (converted insurance) hereafter made may be approved if made within one year after the passage of this amendatory Act or within two years after the date of lapse or cancellation: *Provided,* That the applicant's disability is the result of an injury or disease or of an aggravation thereof, suffered or contracted in the active military or naval service during the World War: *Provided further, That the applicant during his lifetime submits proof satisfactory to the director showing that he is not totally and permanently disabled.* As a condition, however, to the acceptance of an application for the reinstatement of

lapsed or canceled yearly renewable term insurance, where the requirements as to the physical condition of the applicant have not been complied with, or, for the reinstatement of the United States Government life insurance (converted insurance), the applicant shall be required to pay all the back monthly premiums which would have become payable if such insurance had not lapsed, together with interest at the rate of 5 per centum per annum, compounded annually, on each premium from the date said premium is due by the terms of the policy: *Provided further,* That where within one year of this amendatory Act all of the requirements for reinstatement of yearly renewable term insurance under this section are complied with, except the payment of unpaid premiums with interest, and proof satisfactory to the director is furnished showing the applicant is unable to pay such premiums with interest or some part thereof, the application may be approved, and the amount of unpaid premiums with interest as provided in this section shall be placed as an interest-bearing indebtedness against the insurance, such indebtedness to bear interest at the rate of 5 per centum per annum compounded annually, to be deducted in any settlement thereunder: *And provided further,* That no yearly renewable term insurance shall be reinstated after July 2, 1927. (Italics ours.)

Section 19 of the World War Veterans' Act of June 7, 1924, as amended by the Act of March 4, 1925, c. 553, 43 Stat. 1302 (U. S. C. Title 38, Sec. 445), so far as here applicable reads:

In the event of disagreement as to claim under a contract of insurance between the Bureau and any person or persons claiming thereunder an action on the claim may be brought against the United States either in the Supreme Court of the District of Columbia or in the District Court of the United States in and for the district in which such persons or any one of them resides, and jurisdiction is hereby conferred upon such courts to hear and determine all such controversies. The procedure in such suits shall be the same as that provided in sections 5 and 6 of the Act entitled "An Act to provide for the bringing of suits against the Government of the United States," approved March 3, 1887, and section 10 thereof in so far as applicable. All persons having or claiming to have an interest in such insurance may be made parties to such suit, and such as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct. In all cases where the bureau acknowledges the indebtedness of the United States upon any such contract of insurance and there is a dispute as to the person or persons entitled to payment, a suit in the nature of a bill of interpleader may be brought by the bureau in the name of the United States against all persons having or claiming to have any interest in such insurance in the Supreme Court of the District of Columbia or in the district court in and for the district in which any of such claimants reside: *Provided,* That not less than thirty days prior to instituting such suit the bureau shall mail a notice of such intention to each of

> the persons to be made parties to the suit. The circuit courts of appeal and the Court of Appeals of the District of Columbia shall respectively exercise appellate jurisdiction and, except as provided in sections 239 and 240 of the Judicial Code, the decrees of the circuit courts of appeal and the Court of Appeals of the District of Columbia shall be final. This section shall apply to all suits now pending against the United States under the provisions of the War Risk Insurance Act as amended, or of the World War Veterans' Act, 1924, and amendments thereto.

Section 5 of the World War Veterans' Act of June 7, 1924, c. 320, 43 Stat. 608 (U. S. C. Title 38, Sec. 426), provides in part:

> The director, subject to the general direction of the President, shall administer, execute, and enforce the provisions of this Act, and for that purpose shall have full power and authority to make rules and regulations, not inconsistent with the provisions of this Act, which are necessary or appropriate to carry out its purposes, and shall decide all questions arising under this Act and all decisions of questions of fact affecting any claimant to the benefits of Titles II, III, or IV of this Act, shall be conclusive except as otherwise provided herein.

U. S. GOVERNMENT PRINTING OFFICE: 1930